

## *Editorial*<sup>1</sup>

### **Are there specific models of social enterprise in Eastern Asia ?**

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While the notion of social enterprise seems to have appeared in both Western Europe and the United States in the early 1990s, its use is now spreading in practically all regions of the world. However, what is striking in such an expansion is the combination of two quite distinct trends. On the one side and at a rather superficial level, many observers would state that the concept of social enterprise almost exclusively or primarily reflects growing earned (market) income strategies developed by organizations with a (primary) social aim or mission. As an extension of this, the focus is also increasingly on the adoption of business management methods by such organizations. The strength of this US-led « earned income school of thought » and the active public policy promoting self-financed social enterprise in the UK act here as major drivers of this first trend<sup>2</sup>. On the other side, the more field realities are analysed by researchers, in dialogue with people involved in concrete initiatives, the more diverse the galaxy of social enterprises appears at the world level and even within specific regions : quite often indeed, the issue of financing may even come after a major emphasis on the social innovation brought about by the social enterprise, on the impulse provided by public policy frameworks, on the governance structures, on the leading role of foundations, international NGO's or conventional businesses within their CSR strategies, and so on.

Moreover, although first based on a basic conception along the first trend, the attempt by Kerlin (2009) to reflect on such diversity at the world level can be read as an invitation to revisit the social qualification of social enterprise, not just its economic operational model. One the most striking features of that book indeed is the fact most regional or country-level

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<sup>2</sup> Dees and Anderson (2006) even note that in practice, the domination of such a conception of social enterprise is so overwhelming in the United States that it has become « a convention they reluctantly have to follow ».

overviews<sup>3</sup> suggest the social qualification may refer to quite diverse dimensions: relieving social problems through economic activities; commercialising social services (education, health, social care services, etc.); empowering local groups or communities by fostering organisational forms which give them the decision power and allow them to take their destiny into their own hands; putting limits on shareholders' rights on profits in order to rather socialise the latter for the benefit of the community; or recognising the societal importance of productive activities by providing them support from the whole society through public subsidies, private giving or volunteering.

In spite of such inspiring differences as to the social contents of social entrepreneurship, the temptation often remains quite strong, for the sake of simplicity, to enlarge the study of social enterprise to new regions by relying primarily on the above first conception. However, a growing number of scholars and field leaders are now arguing the « bio-diversity » among social enterprises across the world certainly constitutes a major contribution of this phenomenon as it reflects a rich variety of innovating combinations of civil society, market and public policy dynamics to address current societal challenges in quite diverse environments. Therefore, such diversity deserves much more research efforts, even if they are particularly demanding in terms of surveys, in-depth case studies as well as collection and analysis of quantitative and qualitative data.

Since its first research program started in 1996, the EMES European Research Network was somehow forced to adopt such a humble perspective as it was directly facing a wide variety of social enterprise profiles in the 15 countries which formed the European Union by that time. By the way, its work carried out during five years was neither based on nor did come out with a neat and smart definition of social enterprise. Instead it provided a set of criteria which can be used in different ways as they are almost never entirely fulfilled: they rather constitute an « ideal-type » social enterprise in Max Weber's terms, i.e. a methodological tool, somehow analogous to a « compass » reflecting various directions and helping locate social enterprise models with respect to each other within a broad galaxy.

It is also the same stance the EMES Network took when it subsequently enlarged its research projects to compare social enterprises across regions<sup>4</sup>. The present volume focusing

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<sup>3</sup> Eastern Asia was only covered by a chapter on Japanese social enterprises which is referred to later in this volume.

<sup>4</sup> See especially Borzaga et al. (2008) for Central and Eastern Europe and Defourny (2010) for an overview of all major EMES research projects.

on Eastern Asia is a result of a similar comparative perspective and efforts initiated at meetings held with East-Asian scholars during EMES conferences in Barcelona (jointly organized with ISTR in 2008) and Trento (2009). Those meetings paved the way for a joint design of a research project aiming at the description and analysis of the emergence of social enterprise in China, Japan, South Korea, Taiwan and Hong Kong<sup>5</sup>. The results of this project were presented and discussed at the «International Conference on Social Enterprises in Eastern Asia : Dynamics and Variations », which was jointly organised in Taipei on June 14-16, 2010, by the Department of Social Welfare of the National Chung Cheng University, the Begonia Foundation and the EMES European Research Network.

All papers forming the present volume were again discussed and revised after the Taipei conference. Their major aim is threefold: 1) to describe the context and the major factors which explain the emergence and development of social enterprise within each national context; 2) to provide an overall picture of the various categories of organizations which can be considered as social enterprises although they are not necessarily named that way; 3) and finally to identify major challenges those organizations are facing as well as their perspectives for further development.

Even with an open-minded attitude, a major risk from the outset was that East Asian realities would be mainly read with glasses provided by the literature developed in North America and Western Europe. To the extent this literature as well as contacts, visits and exchanges with the West has been contributing to shape debates as well as public and private initiatives in Eastern Asia, exploiting such a conceptual and analytical background was undoubtedly legitimate. The challenge then was to leave enough space for searching for all features and evolutions which are deeply rooted in East Asian history, traditions as well as current social and economic live of this region. So, besides the three above-mentioned goals, key underlying questions of this joint research project were the following : to what extent is it possible to identify distinctive features across social enterprise developments in this region ; and do they allow to speak about the emergence of a (or several) specific East Asian model(s) of social enterprise?

Among factors which are shared by all countries under review here, we certainly have to keep in mind the whole set of values and cultural background related to Confucianism.

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<sup>5</sup> Previous comparative works on social enterprise in Eastern Asia had been developed with a more limited scope See Chan, Kuan et al. (2007)

Deep structural transformations have also occurred in several countries during the last twenty five years, such as a democratisation process since the late 1980s (especially in South Korea and Taiwan) and a huge transition from a planned to a market economy in China. Thirdly, the whole East Asian context of the last decade has also been dramatically marked by the financial crisis of the late 1990s which deepened social challenges. In turn, the latter forced all actors in society and especially the public authorities to look for innovating responses. In the search for such responses, the respective place, size and role of the state, the market and the third sector were and still are clearly different from what they are in Europe and the United States. So, all these factors are likely to have shaped at least partly specific types of social enterprises.

In such context and aside from pure conceptual issues, some research hypotheses were also brought about by previous EMES research experience in various regions. First, the issue of jobs opportunities or employment services to be provided to vulnerable groups is clearly a key concern and it is likely to influence the social enterprise landscape in Eastern Asia as it does in Western and Eastern Europe where the notion of work integration social enterprise was forged (Nyssens, 2006). Moreover, in national contexts where the state is a major economic actor, active labour market policies are likely to act as a major driving force.

In spite of an increasing emphasis on blurring frontiers between sectors, social enterprises are often considered as being launched by non-profit organisations and belonging themselves to the third sector. As compared to approaches limiting the third sector to NPOs, EMES works always included co-operatives within the third sector. Such a European approach actually raises the issue of governance structures which are supposed to make the economic operational model of social enterprises at least compatible or at best perfectly adapted to the pursuit of their primary social mission<sup>6</sup>. In other words, can democratic or participatory decision-making processes contribute to better protect and achieve a social mission? On the other hand, to what extent are they relevant in societies who traditionally rely more on formal hierarchical relations?

Of course, this issue does not cover all those questions to the same extent. Nevertheless, its ambition is to contribute to a better understanding of social enterprise in a

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<sup>6</sup> It is why the nine EMES criteria or indicators are now presented as three sets of three criteria, covering respectively the entrepreneurial dimension, the social dimension and the governance structure of social enterprise (Defourny and Nyssens, 2010 and even more explicitly in the French version of that paper, 2011).

whole region and to suggest truly pluralistic approaches are needed to capture the very nature of social enterprises which are deeply rooted in their own history and in their own cultural, political, economic and social context.

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